

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: June 23, 2010
POSITION: Neutral

BILL NUMBER: SB 1108
AUTHOR: C. Price
RELATED BILLS: AB 309

BILL SUMMARY: Public Contracts: Small Business Participation

This bill would authorize the Department of General Services (DGS) to direct all state agencies to establish a goal to achieve 25 percent small business participation in state procurements and contracts.

FISCAL SUMMARY

The Department of Finance estimates this bill would not have a significant fiscal impact. Pursuant to Governor's Executive Order S-02-06 issued March 29, 2006, agencies were previously directed to achieve 25 percent small business participation. Agencies not achieving this goal and agencies outside the Governor's authority that did not observe the Governor's Executive Order will be impacted fiscally but the extent of that impact is unknown.

SUMMARY OF CHANGES

Amendments to this bill since our analysis of the Original version are minor and do not alter our position.

COMMENTS

Existing law requires state agencies that enter into contracts for goods, services, information technology, and the construction of state facilities to establish goals for the participation of small businesses in these contracts and to provide a 5 percent small business bid preference.

This bill would authorize the DGS to direct all state agencies to establish a goal of 25 percent small business participation in state procurements and contracts. This bill would codify the goal set in the Governor's Executive Order. The Consolidated Annual Report for fiscal year 2007-08 reflects this goal was achieved on a statewide basis in 2006-07 with participation at 28.3 percent; however, the state fell just short of the goal in 2008-09 at 23.8 percent. This bill would become operative on July 1, 2011.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)								Fund Code
	LA	(Dollars in Thousands)								
	CO	PROP								
	RV	98	FC	2010-2011	FC	2011-2012	FC	2012-2013		
9901/Var Depts	SO	No	-----	See Fiscal Summary					-----	0001
9901/Var Depts	SO	No	-----	See Fiscal Summary					-----	0494
9901/Var Depts	SO	No	-----	See Fiscal Summary					-----	0988
<u>Fund Code</u>	<u>Title</u>									
0001	General Fund									
0494	Other - Unallocated Special Funds									
0988	Other - Unallocated NGC Funds									

Analyst/Principal (0242)	Date	Assistant Program Budget Manager	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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